

BRAZILIAN PETROLEUM CORP
Form 6-K
December 21, 2004

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934

For the month of December, 2004

Commission File Number 1-15106

PETRÓLEO BRASILEIRO S.A. - PETROBRAS
(Exact name of registrant as specified in its charter)

Brazilian Petroleum Corporation - PETROBRAS
(Translation of Registrant's name into English)

Avenida República do Chile, 65
20035-900 - Rio de Janeiro, RJ
Federative Republic of Brazil
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

Petrobras purchases Conecta S.A. in Uruguay

(Rio de Janeiro, 21 December 2004). PETRÓLEO BRASILEIRO S/A - PETROBRAS, [Bovespa: PETR3/PETR4, NYSE: PBR/PBRA, Latibex: XPBR/XPBRA], a Brazilian international energy company, announces that the Board of Directors have approved and authorized its Executive Directorate to finalize negotiations regarding the purchase for US\$ 3.2 million from the Spanish Private Group Unión Fenosa of their subsidiaries Gaufil and Lufirel, holders respectively of 30% and 25% of the voting capital of Conecta S.A. This company distributes and sells natural gas in Uruguay with exclusive rights for its supply to small and medium size consumers in the interior of the country. This acquisition, which is still subject to the finalization of some operational requirements, marks the beginning of Petrobras activities in Uruguay, increasing to eight the number of countries in which it operates in South America.

The Administración Nacional de Combustibles Alcohol y Portland (National Administration of Alcohol and Portland Fuels) ANCAP, controlled by the Uruguayan government, continues to hold the remaining 45% of the voting capital of Conecta S.A.

Conecta S.A. is the owner of a government concession for the distribution of natural gas, liquefied petroleum gas (LPG) and manufactured gas, operating a 300-kilometer pipeline network. It has exclusive rights for customers outside the capital Montevideo whose daily consumption is less than 5000 cubic meters. Its current earnings are US\$ 2.7 million and this is expected to double in 2005.

The company currently has 4200 clients, of which 4100 are residential. It is estimated that this number only represents 10% of the potential market found near its distribution network in the cities of Paysandu and Ciudad de la Costa. The inclusion of these clients has already been forecast in the existing Concession Contract.

<http://www.petrobras.com.br/ri/english>

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This document may contain forecasts that merely reflect the expectations of the Company's management. Such terms as anticipate, believe, expect, forecast, intend, plan, project, seek, should, along with similar or analogous expressions, are used to identify forecasts. These predictions evidently involve risks and uncertainties, whether foreseen or not by the Company. Therefore, the future results of operations may differ from current expectations, and readers must not base their expectations exclusively on the information presented herein.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: December 21, 2004

PETRÓLEO BRASILEIRO
S.A--PETROBRAS

By: */s/* José Sergio Gabrielli de
Azevedo

**José Sergio Gabrielli de
Azevedo
Chief Financial Officer
and Investor Relations
Director**

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.
